

# Green Energy Technology

## 2011 Third Quarter Investor Conference

Oct. 28, 2011



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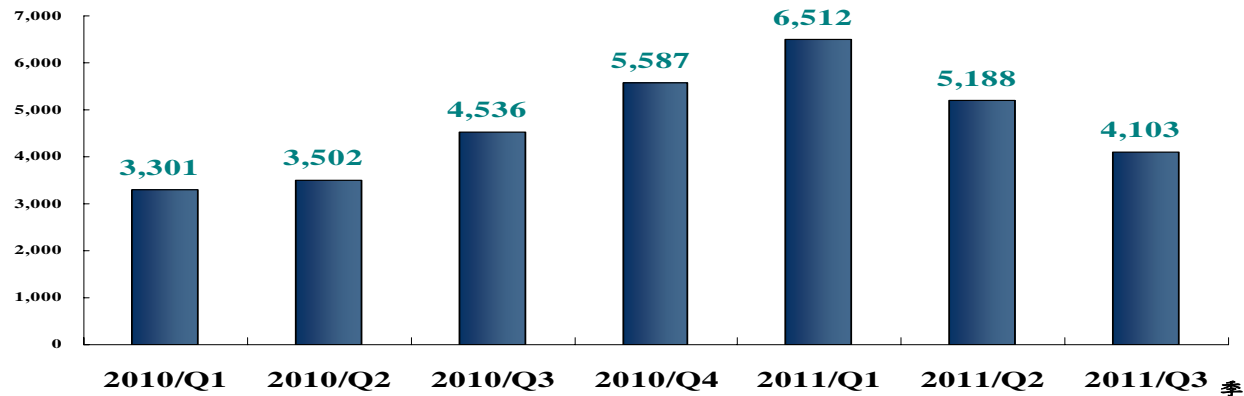
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# Operating Results

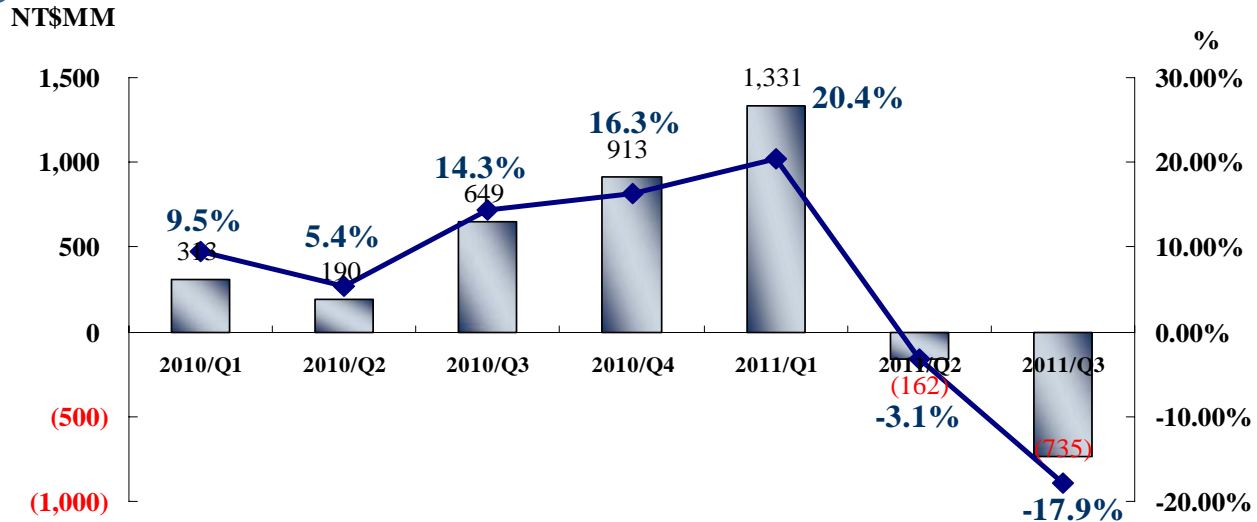


# Revenue and Gross Margin

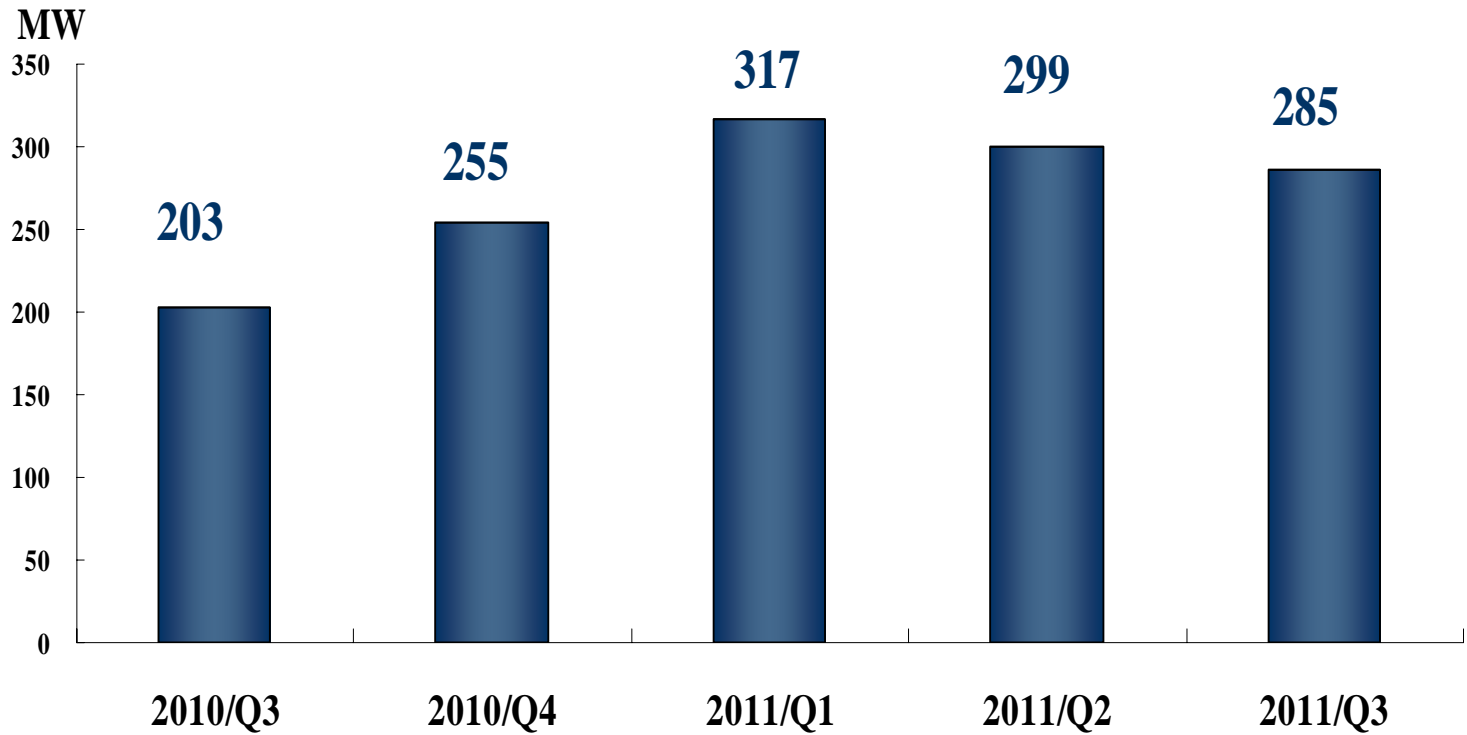
## Revenue NT\$MM



## Gross Margin



# Shipments



<b>Capacity Utilization</b>	<b>100% + Outsource</b>	<b>100% + Outsource</b>	<b>100% + Outsource</b>	<b>100%</b>	<b>95%</b>
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# Income Statements

## Green Energy (3519TT) 1Q~3Q 11 results

Unit: NT\$ million, except for EPS

	3Q11	2Q11	1Q~3Q11	1Q~3Q10	YoY
Net sales	4,103	5,188	15,802	11,624	36%
Gross margin rate	-17.91%	-3.12%	2.75%	12.37%	-78%
Gross profit/loss	-735	-162	435	1,438	-70%
Operating income/loss	-984	-361	-213	1,112	-119%
Pre-tax income/loss	-990	-233	-478	834	-157%
Net income/loss	-838	-294	-535	814	-166%
EPS (NT\$)	-3.32*	-1.37	-2.02	4.01	
Earning from Investment	118	61	244	34	

\*Based on 264,139 thousand weighted average outstanding shares

# Balance Sheet

**2011/9/30 vs. 2011/6/30**

Unit: NT\$ million, except for EPS

	2011/9/30	%	2011/6/30	%
<b>Current Assets</b>	<b>10,870</b>		<b>10,014</b>	
- Cash and cash equivalents	3,827	12.1%	3,358	11.4%
Funds and Investments	3,020		2,726	
Fixed Assets	14,143		13,191	
Other Assets	3,678		3,606	
<b>Total Assets</b>	<b>31,711</b>		<b>29,537</b>	
<b>Current Liability</b>	<b>10,965</b>	<b>34.6%</b>	<b>8,420</b>	<b>28.5%</b>
LT Liability and others	6,447	20.3%	6,227	20.1%
<b>Total Liability</b>	<b>17,412</b>	<b>54.9%</b>	<b>14,647</b>	<b>49.6%</b>
<b>Total Equity</b>	<b>14,299</b>	<b>45.1%</b>	<b>14,890</b>	<b>50.4%</b>

# Financial Forecast

Unit: NT\$ million, except for EPS	3Q2011		4Q2011		2011	
	Prev. Forecast	Actual	Prev. Forecast	Forecasted	Prev. Forecast	Forecasted
Net revenues	4,871	4,103	5,944	2,298	22,516	18,101
Gross profit/loss	-434	-734	-370	-1,331	364	-896
Operating expenses	171	249	147	159	716	806
Income/loss from operations	-605	-984	-517	-1,490	-351	-1,702
Income/loss before income tax	-586	-990	-536	-1,564	-610	-2,042
Basic earnings per common share (NT\$)	-2.27	-3.32	-1.93	-5.76	-2.90	-7.78

1. Europe debt and financial concerns have made inventory overbuilt and ASP falling in supply chain. GET reacted to industry downturn by prioritizing cash-keeping and inventory-selling, therefore had more loss from higher material cost. The cost structure will be substantially improved when all inventories sold out and new materials of much lower cost acquired.
2. Assuming lower utilization and shipment facing unreasonably low wafer ASP, GET forecasted fixed cost per wafer will increase.
3. For possible overdue accounts along with critical market, GET increased allowance for bad debt.

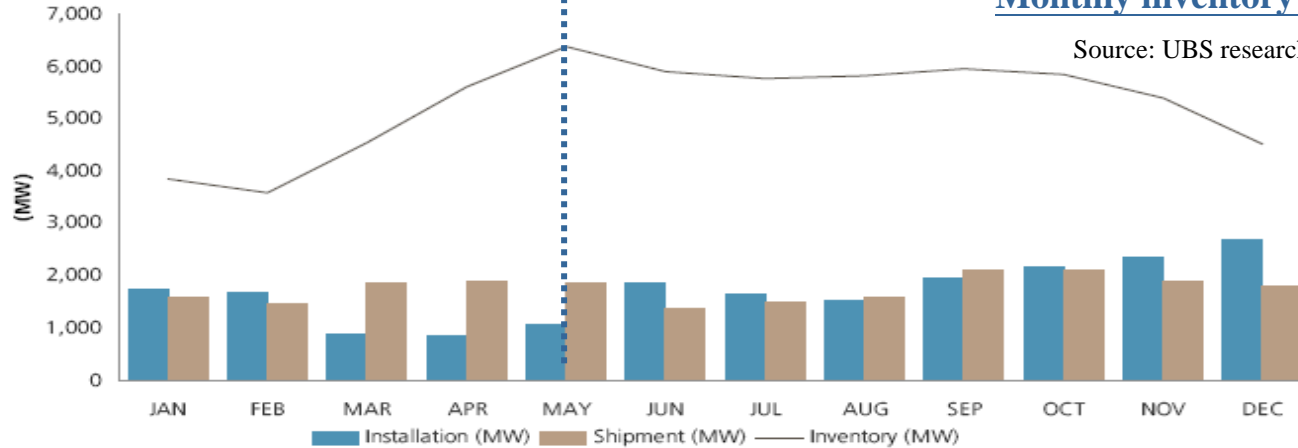
# Solar Industry



# Inventory makes ASP falls

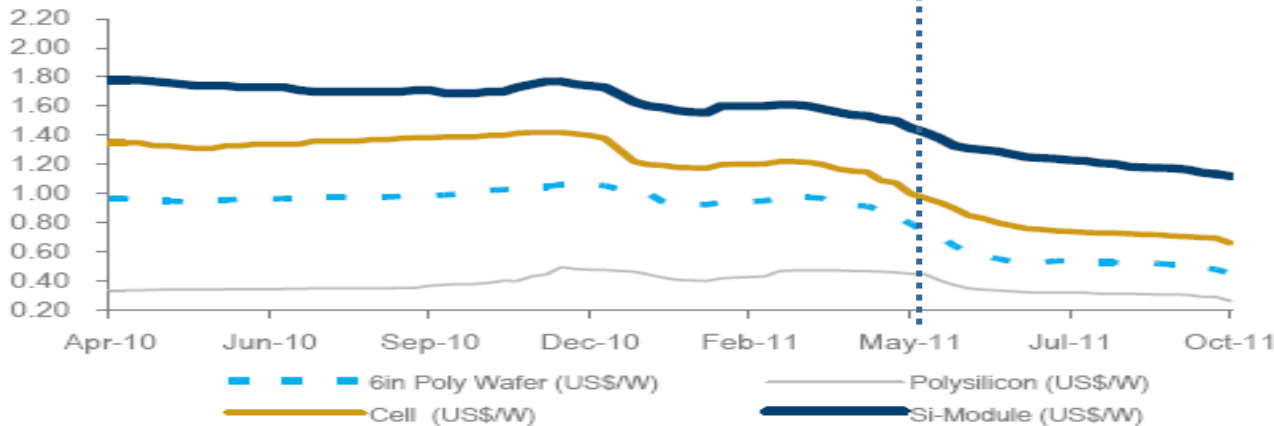
Chart 4: While inventory peaked in May 2011, digestion appears slow and causing module ASP to decline.

## Monthly inventory in supply chain



In May 2011,  
inventory  
reached 6GW

## Spot price trend in the solar supply chain

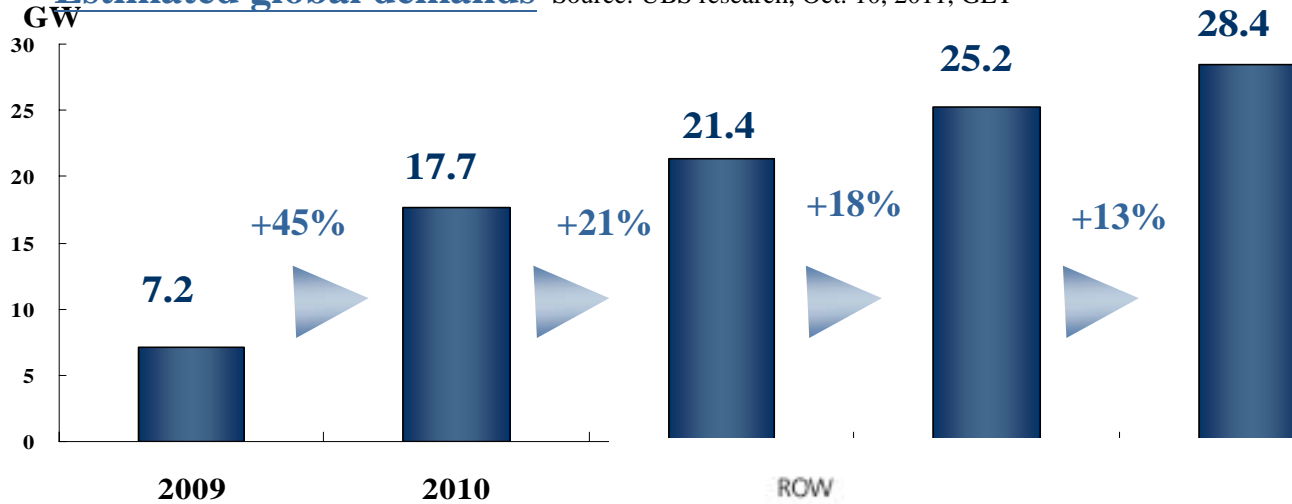


In 2Q11,  
ASP started  
to fall fast

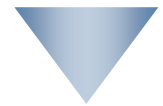
# Solar demand keeps prospective

## Estimated global demands

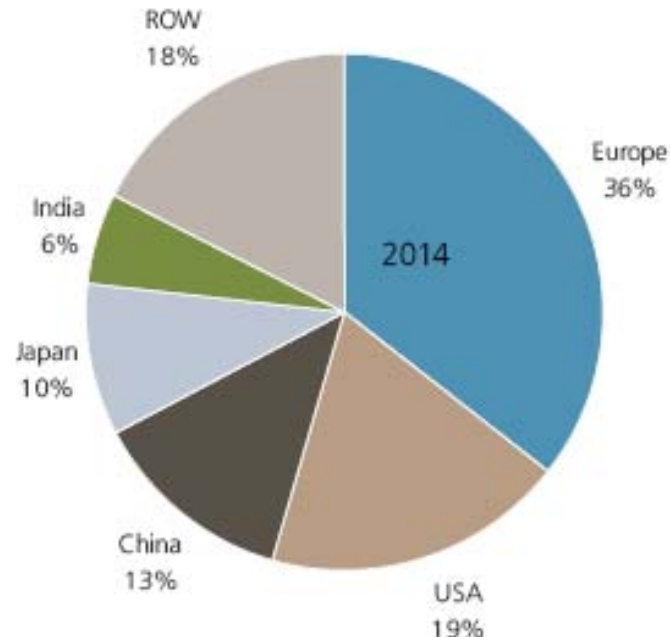
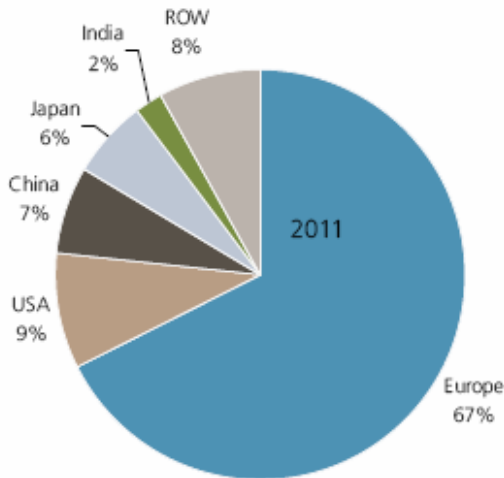
Source: UBS research, Oct. 10, 2011, GET



Solar  
future still  
positive



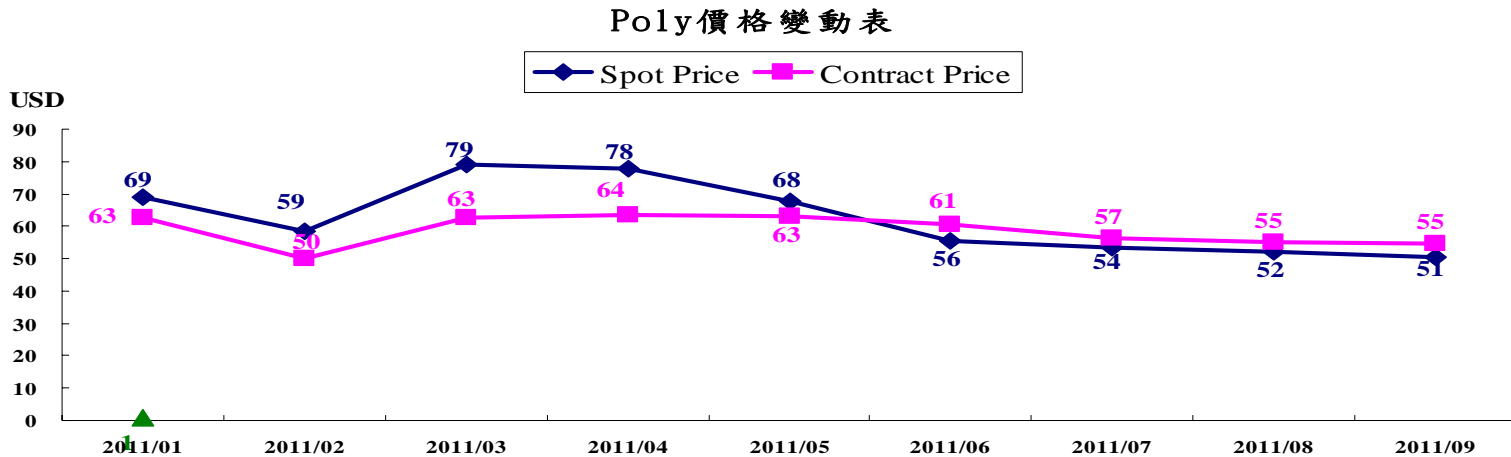
Emerging  
markets  
are rising



## 11 2011 vs. 2014 Emerging markets rising

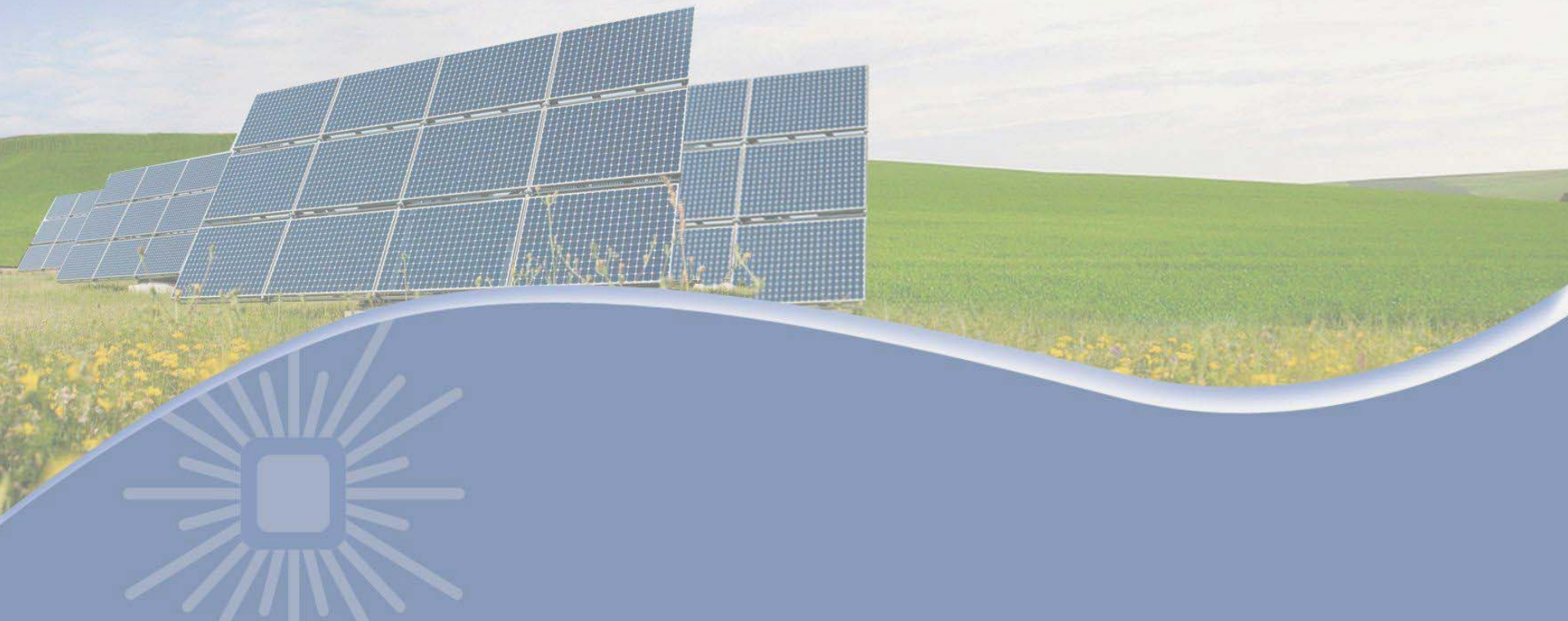
Source: UBS research, Oct. 10, 2011

# GET reactions to industry downturn



- Wafer ASP kept falling from 2Q11, but poly ASP dropped slowly.
- From Oct. 2011 poly price started to drop fast, and ASP under US\$ 30/kg is available already
- Facing critical market challenges , solar companies with no advantage of cost, quality or healthy finance will be out of market soon.
- In this case global capacity is expected to decrease by 40% and help to correct unbalance in supply chain.
- GET prioritized cash-keeping and inventory-selling to react industry downturn. Cost structure will be substantially improved when all inventories sold out and new materials of much lower cost acquired

# Strategy and Core Competence



# Capacity Allocation



**China**

**Shandong**

- Slicing 610MW



**Taiwan**

- **Taoyuan**


■ Ingot	1,140MW
■ Slicing	350MW
■ Thin-film	45MW


- **Southern TW**

■ Ingot	540MW (e)
(testing)	■ Slicing 590MW (e)

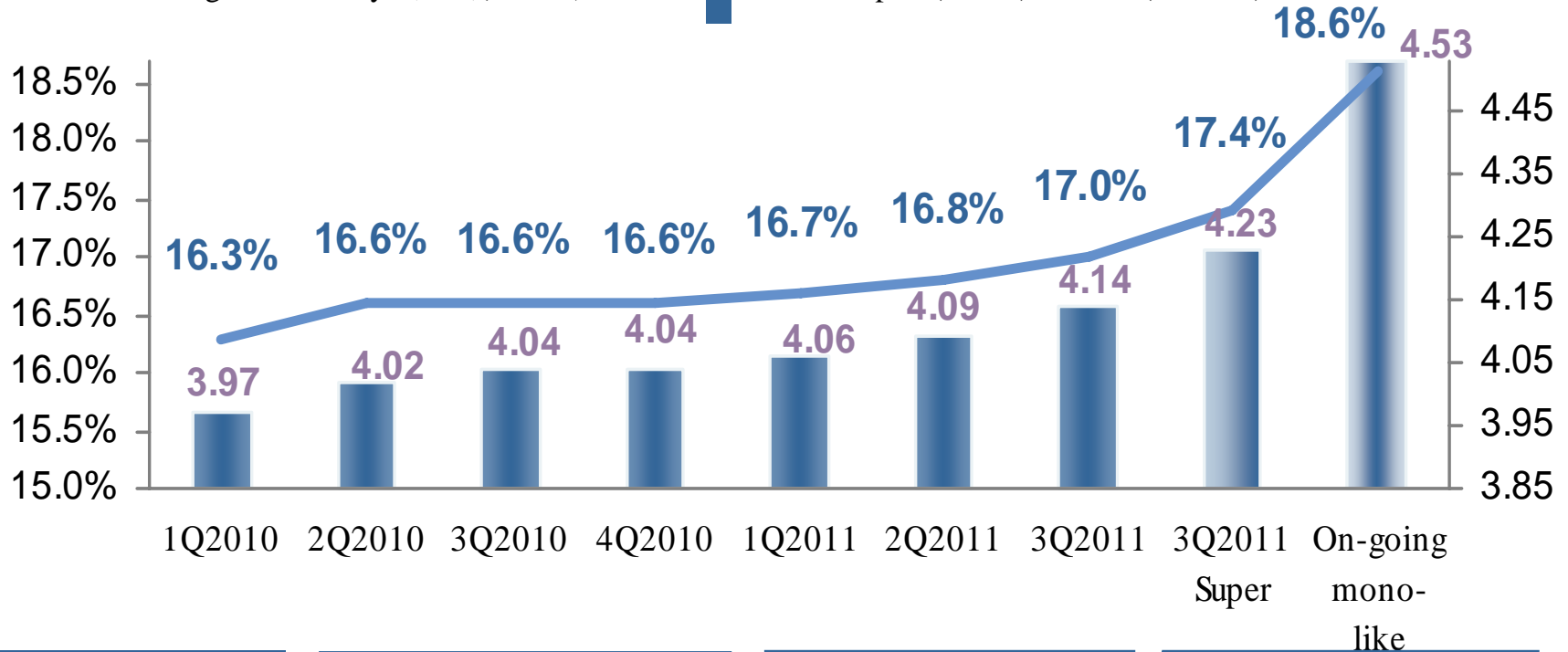
**Allocate by regional advantages**

**Target to reduce manufacturing cost by 15%~20%**

# Superior technology and high-quality products

— Averaged efficiency 平均轉換效率

■ Power output (W/PC) 發電量 (W/每片)



**Superior technology to ensure high quality**

**High efficient multi**

⇒ **Averaged 17%**  
 ⇒ **Target: 17.2%~17.4%**

**GET Super Multi**

**Efficiency**  
 ⇒ **17.4%**

**GET Mono-like**

⇒ **Customers test approved**  
 ⇒ **Target: 18.6%**

# Strong relationships with suppliers



GREEN ENERGY  
TECHNOLOGY

Poly-silicon  
re-negotiation &  
cooperation

- GET fulfilled contracts based on partnerships, therefore GET profits were squeezed temporarily.
- Have re-negotiated contracts with global suppliers based on cooperation consensus

# Strong relationships with customers



GREEN ENERGY  
TECHNOLOGY

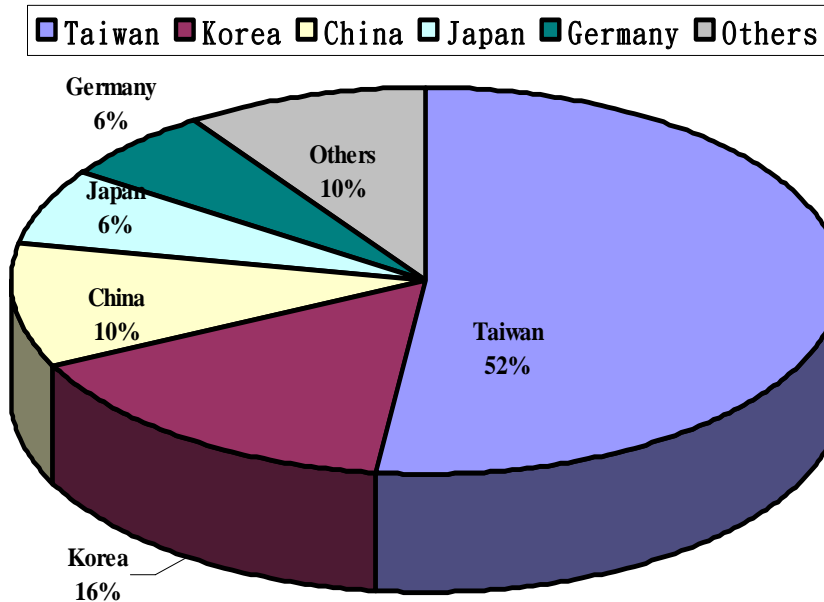


Expand customer  
bases and strategic  
partnership

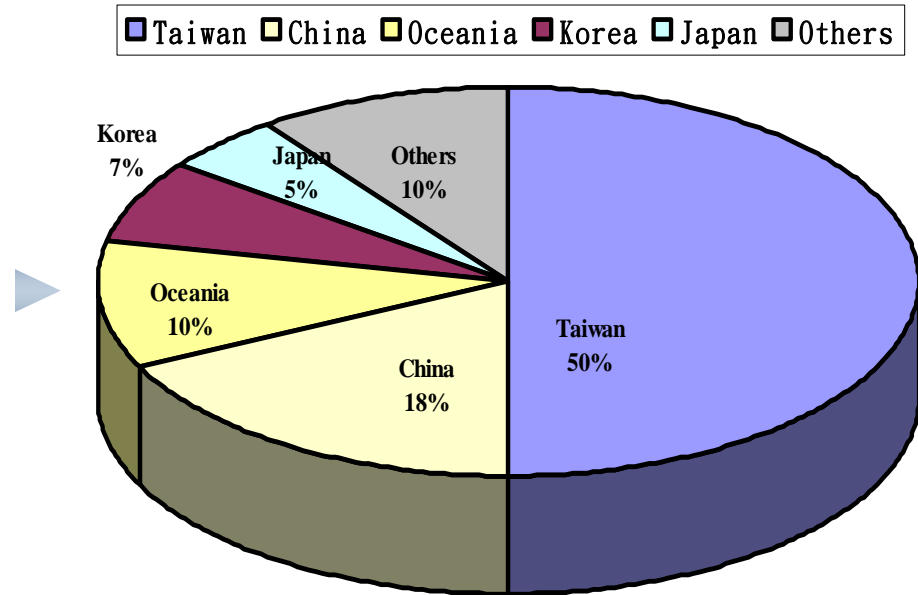
- Stronger downstream indicates importance of expanding sales and strategic partnerships with global markets.

# Increasing importance of emerging markets

2010 sales by area



2011 sales by area



**Increase OEM  
business and emerging  
market shipments**

- **To Expand customers in OEM and emerging market to meet increasing demands from potential and emerging markets.**

# Q & A

